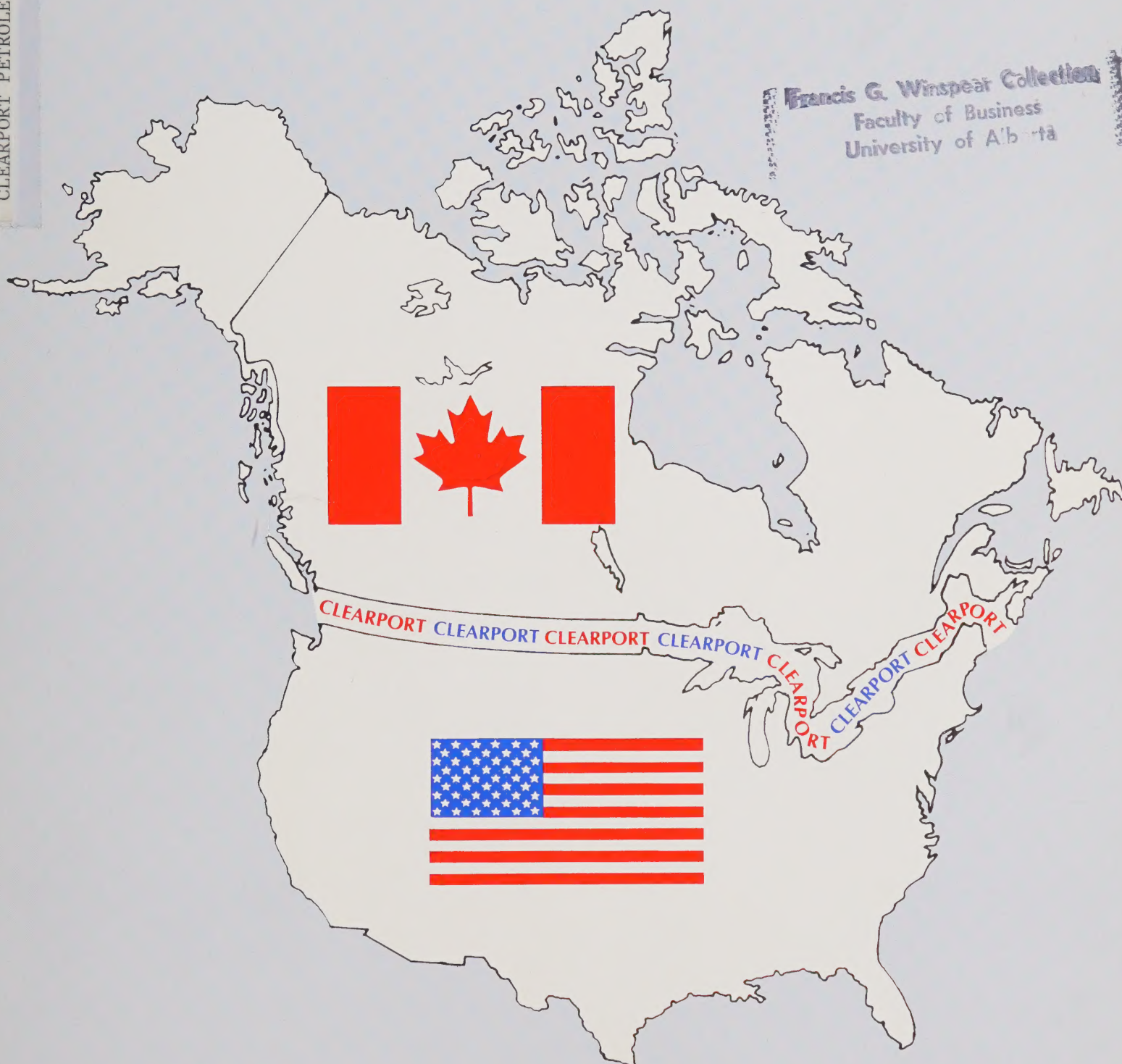


AR05



Clearport Petroleums Ltd.

Francis G. Winspear Collection
Faculty of Business
University of Alberta



Clearport Petroleums Inc.

1982
ANNUAL REPORT

OPERATIONS

ALBERTA

Swan Hills

Ross Haven

Edmonton

West Pembina

Drumheller

Calgary

Atlee Buffalo

Pendant D'Oreille

TOWNSHIPS IN WHICH CLEARPORT
PETROLEUMS HOLDS INTERESTS

24 0 24 48 MILES



(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA, CANADA)

Notice of Annual General Meeting of Shareholders

October 19, 1982

Francis G. Winspear Collection
Faculty of Business
University of Alberta

To: The Shareholders of
Clearport Petroleums Ltd.

RECEIVED OCT 13 1982

NOTICE is hereby given that the Annual General Meeting of Shareholders of Clearport Petroleums Ltd. (hereinafter called "the Company") will be held at the offices of the Company at 522, 550 - 6th Avenue S.W., in the City of Calgary, Province of Alberta, on Tuesday, the 19th day of October, 1982 A.D., at 10:00 o'clock a.m. (Mountain Standard Time), for the following purposes:

1. To receive and consider the Report of the Directors, the financial statement of the Company to June 30, 1982 and the auditors' report thereon.
2. To elect directors of the Company for the ensuing year and until their successors shall be duly elected and qualified.
3. To appoint Miller, McClelland & Co. as Auditors of the Company.
4. To hold annual meeting of Clearport Petroleums Inc., which is the United States wholly-owned subsidiary of Clearport Petroleums Ltd.
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

The share transfer books of the Company will not be closed, but in lieu thereof, the Board of Directors has fixed the close of business on the 15th day of September, 1982 as the record date for the determination of shareholders who are entitled to notice of and to vote either in person or by proxy at the Annual General Meeting or at any adjournment or adjournments thereof.

Shareholders who do not expect to attend the Meeting in person are urged to fill in, sign, date and return the enclosed Proxy in the enclosed envelope. The Proxy must be deposited at the office of Guaranty Trust Company of Canada, 401 - 9th Avenue South West, Calgary, Alberta, not less than 48 hours before the time for holding the meeting.

DATED at Calgary, Alberta, Canada, this 4th day of October, A.D. 1982.

BY ORDER OF THE BOARD OF DIRECTORS

Robert M. Ross,
President

(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA, CANADA)

Annual General Meeting of Shareholders

October 19, 1982

PROXY STATEMENT AND INFORMATION CIRCULAR

Management of Clearport Petroleum Ltd. (the "Company") solicits the enclosed Proxy for use at the 1982 Annual General Meeting of Shareholders of the Company to be held at the offices of the Company at 522, 550 - 6th Avenue S.W., in the City of Calgary, Province of Alberta, Canada, at 10:00 o'clock a.m. (Mountain Standard Time) on October 19th, 1982 and at any adjournments thereof for the purposes set forth in the Proxy. Shareholders may revoke their proxy at any time prior to the exercise thereof. A proxy, when executed and not so revoked, will be voted in accordance with the instructions thereon.

Solicitation of proxies will be primarily by mail but may also be by telephone, telegraph or oral communications by the directors, officers and regular employees of the Company, at no additional compensation. The cost of soliciting proxies will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Holders of the Company's common shares of record at the close of business on September 15, 1982 will be entitled to notice of and to vote one vote per share on all matters placed before the Meeting. Two or more shareholders personally present who were shareholders as at September 15, 1982 will constitute a quorum. Shareholders are not entitled to cumulate their votes in the election of directors. On September 14, 1982 there were 1,888,103 shares of the Company's common shares without nominal or par value outstanding. To the knowledge of the directors and senior officers of the Company, Robert M. Ross is the only person or company which beneficially owns, directly or indirectly, common shares of the Company carrying more than 10% of the voting rights attached to all equity shares of the Company. Robert M. Ross owns of record and beneficially 810,846 shares of the Company which constitutes 42.94% of the outstanding shares of the Company.

ELECTION OF DIRECTORS

At this Meeting four (4) directors are to be elected, each director to hold office until the Annual General Meeting of Shareholders of the Company in 1983 or until his successor has been elected and qualified. It is intended that votes will be cast pursuant to the proxies for the election of the following nominees as directors, all of whom are presently directors of the Company. Three of the present directors have been directors since the incorporation of the Company on March 8, 1972 and one has been a director since June 18, 1982.

Name and Address	Positions Presently Held	Principal Occupations During Preceding Five (5) Years	Number of Common Shares Beneficially Owned as of Sept. 15, 1982
Robert Morris Ross, 4511 - 14A Street S.W. Calgary, Alberta	Director & President	President, Stikine River Mines Ltd., 1965-69; President Clearport Holdings, 1961-81; Director, Ace Explosives Limited, 1967-78.	810,846
Harold Lawrence Farney, 4239 Britannia Drive Calgary, Alberta	Director & Vice-President	President, Farney Exploration Ltd., merged with Teledyne 1965; President, Quinn-Farney Ltd., 1965-81; President, Ace Explosives Ltd. 1967-78.	90,408
Edward J. Baltrusaitis, Seebe P.O. Alberta	Director	Geologist and Exploration Manager, Gulf Oil Corporation, 1952-54; Exploration Manager, Dome Petroleum Ltd., 1958-65; Independent Oil and Gas Consultant, 1965-81.	36,205
Robert C. Ross, 4511 - 14A Street S.W. Calgary, Alberta	Director	Geologist and Exploration Manager, Clearport Petroleums Ltd., 1982.	1,000

REMUNERATION OF OFFICERS AND DIRECTORS

The aggregate remuneration paid to all directors and senior officers of the Company, as a group, including the five highest paid employees, during the Company's last completed financial year by the Company and its subsidiaries whose financial statements are consolidated with those of the Company is set forth as follows:

Aggregate Remuneration	Estimated Annual Benefits Upon Retirement	Options to Purchase Securities
115,547.12	NIL	NIL

APPOINTMENT OF AUDITORS

The Shareholders will be asked to vote for the appointment of Miller, McClelland & Co. as Auditors of the Company for the fiscal year ending June 30, 1983.

OTHER BUSINESS

Management knows of no other business which is likely to be brought before the meeting other than that which is set forth in items 1, 2, 3 and 4 of the notice thereof. If however, any other business should properly be presented to the meeting, the persons named in the accompanying form of Proxy will vote the Proxy in accordance with their best judgement on such matters and the Proxy confers such discretionary authority.

BY ORDER OF THE BOARD OF DIRECTORS

Robert M. Ross,
President.

DATED this 1st day of October, 1982 A.D.
Calgary, Alberta, Canada

TO THE SHAREHOLDERS:

During this fiscal year Clearport launched into a U.S. programme with a consortium of companies in the State of Kansas. Ten wells were drilled by the group, all of which were carried down to the Ordovician. Six were completed as successful gas wells and preparations are presently underway to put this production on stream.

Clearport has participated in the acquisition of 33,429.22 net acres in Kansas and a further 10-well programme shall be launched in the fall of 1982. It is the intent to drill some 40 exploratory tests and then follow-up with the development.



Drilling at Drumheller, Alberta
This well goes on stream fall of 1982

In the State of Montana we have now completed a geological study and are preparing to carry out land acquisition. Our attention has been centered on a Devonian play with upper sand possibilities.

Regrettably, all of our Canadian production with the exception of one well has been shut-in over the past fiscal year. However, on July 19, 1982 the National Energy Board approved export through the Canadian Montana Gas pipeline of 10 bcf per year. Clearport has 10 wells tied into this system awaiting the opening of the main transmission valve, provided the U.S. regulatory body issue their required approval. This gas is expected to commence to flow on November 1, 1982.



The River Breaks
South Comrey, Alberta

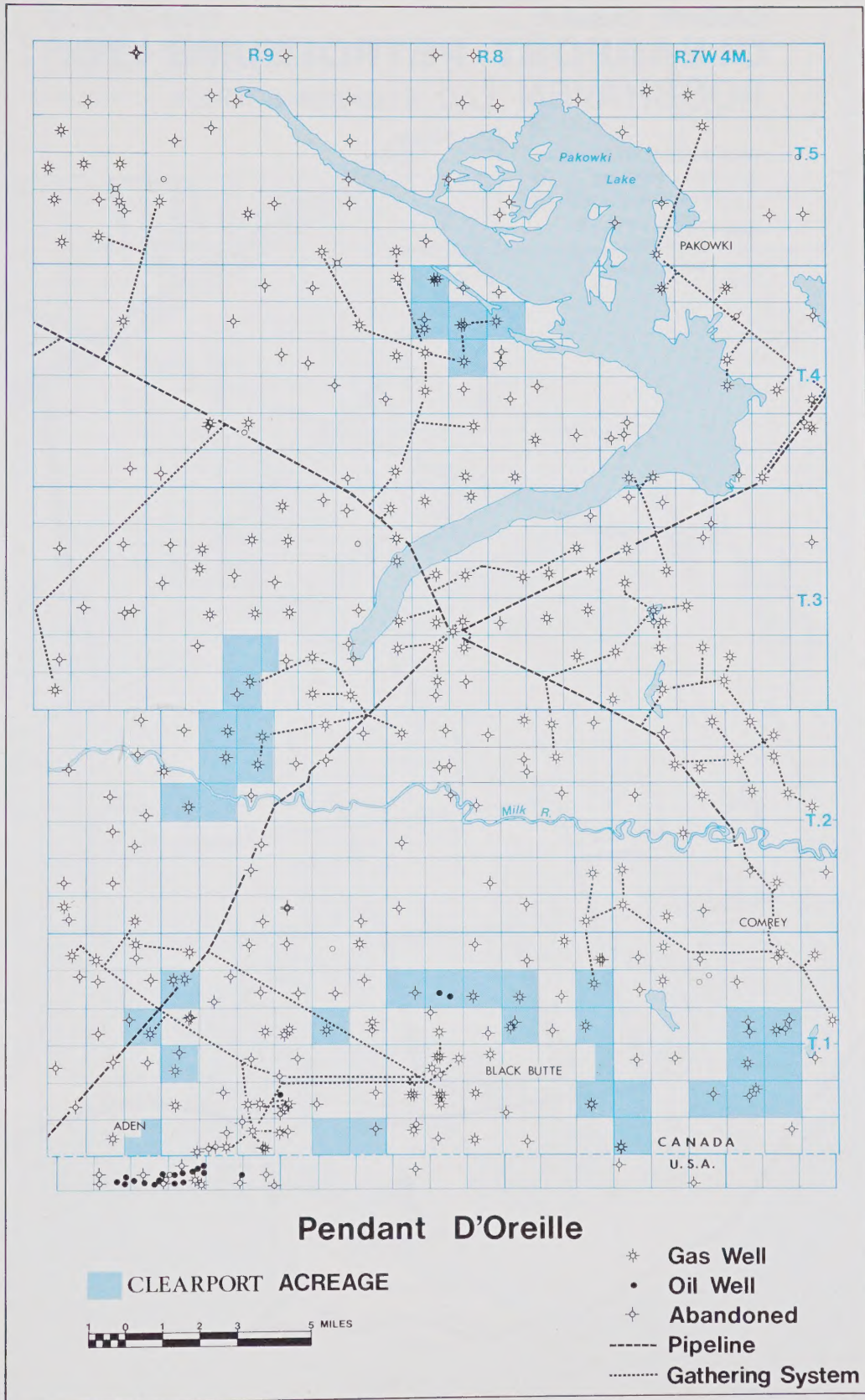
In addition, our shut-in gas wells in the Drumheller and Brooks area are expected to go on production with Pan Alberta by September of 1982. These are very significant facts for we in the oil and gas industry, as being without cash flow has put us in a most undesirable position and it is now hoped that this situation can be rapidly remedied.

We, at the time of writing, are awaiting the commencement of exploration tests on land we hold at Atlee Buffalo, Pembina and Drumheller, all in the Province of Alberta, the outcome of which shall have a most significant bearing on the reserve status of this Company.

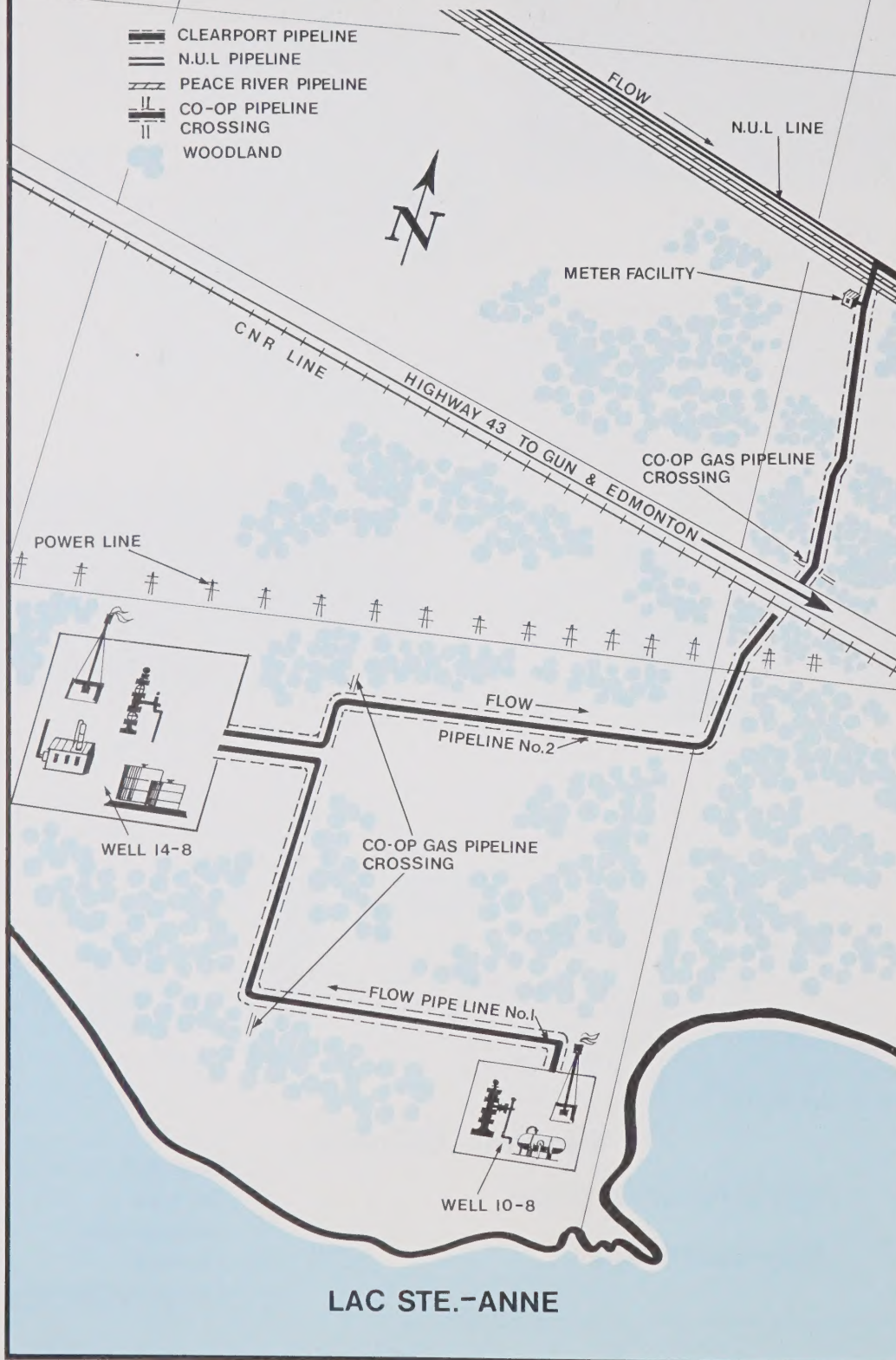
We do not intend to spend any unnecessary funds until such time as the marketing prospects of our production in Canada have been definitely resolved by the Provincial and Federal Governments of this country. An excerpt from our Engineering Evaluation is contained herein and you will note that the value of the shares of Clearport Petroleum Ltd., as calculated by those reserves, is very significantly higher than is reflected on the Stock Market. With investor confidence to be eventually restored in Canada, we expect that junior oil and gas companies shall benefit in the market place.

Respectfully submitted,

ROBERT M. ROSS
President













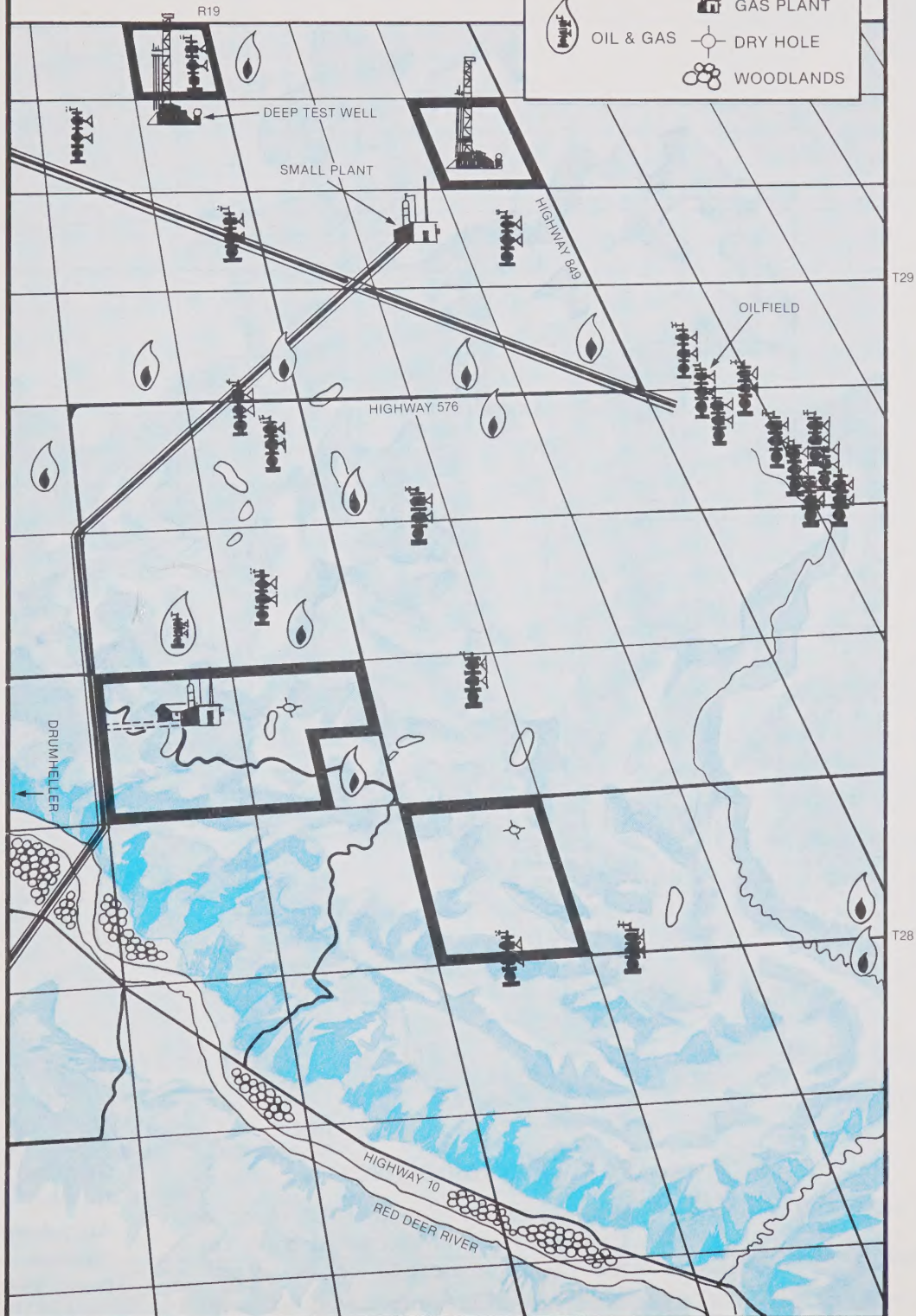
CALGARY, CANADA
CLEARPORT PETROLEUMS LTD.
 ROSSHAVEN LAC STE.-ANNE AREA

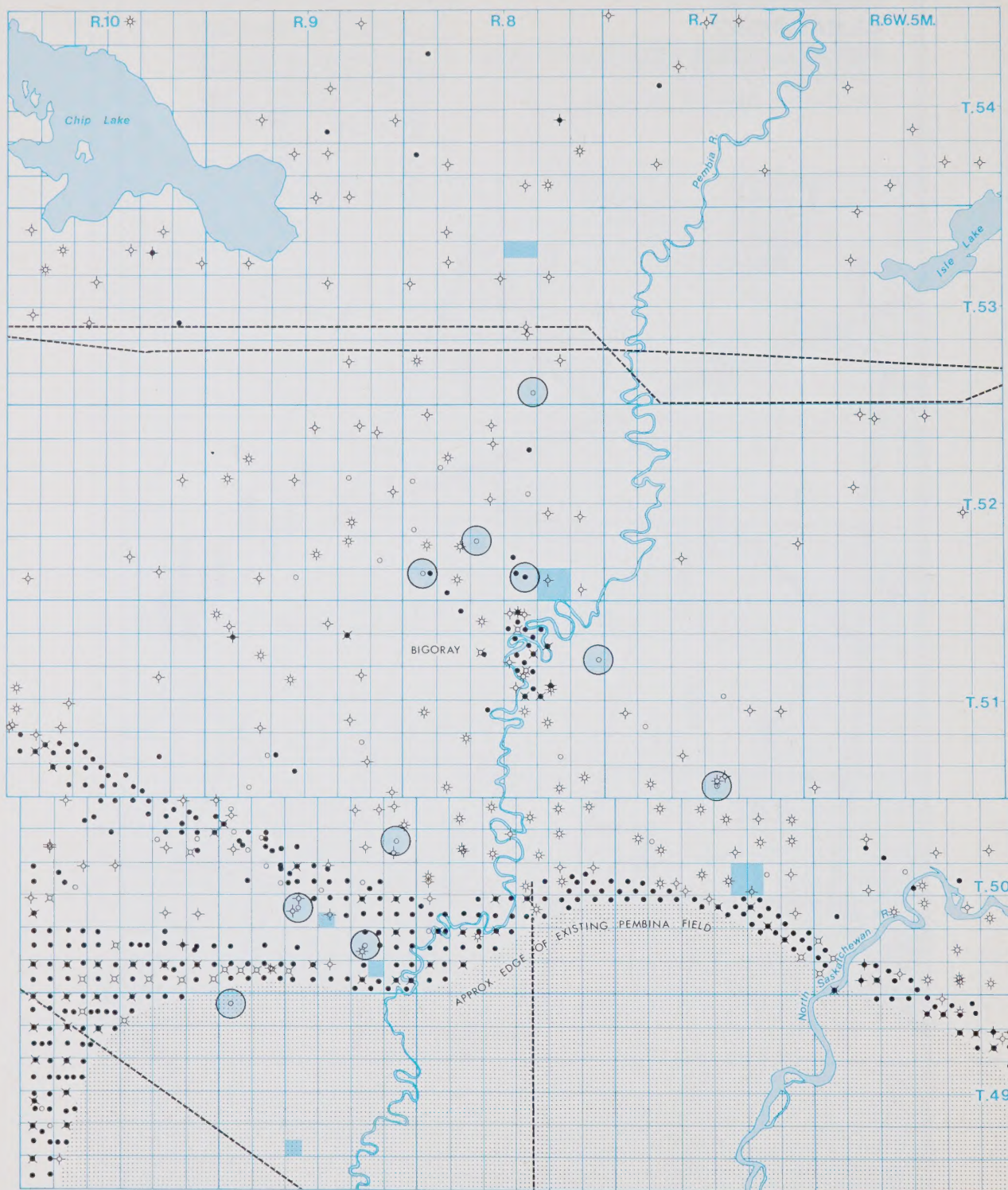


CALGARY CANADA
**CLEARPORT
 PETROLEUMS LTD.**
 DRUMHELLER AREA
 PROGRESS REPORT JULY 1981

LEGEND

- | | | | |
|---|--------------------|---|----------------------|
|  | COMPANY
ACREAGE |  | PIPELINE |
|  | GAS WELL |  | PROPOSED
PIPELINE |
|  | OIL WELL |  | OIL RIG
DRILLING |
|  | OIL & GAS |  | GAS PLANT |
| | |  | DRY HOLE |
| | |  | WOODLANDS |





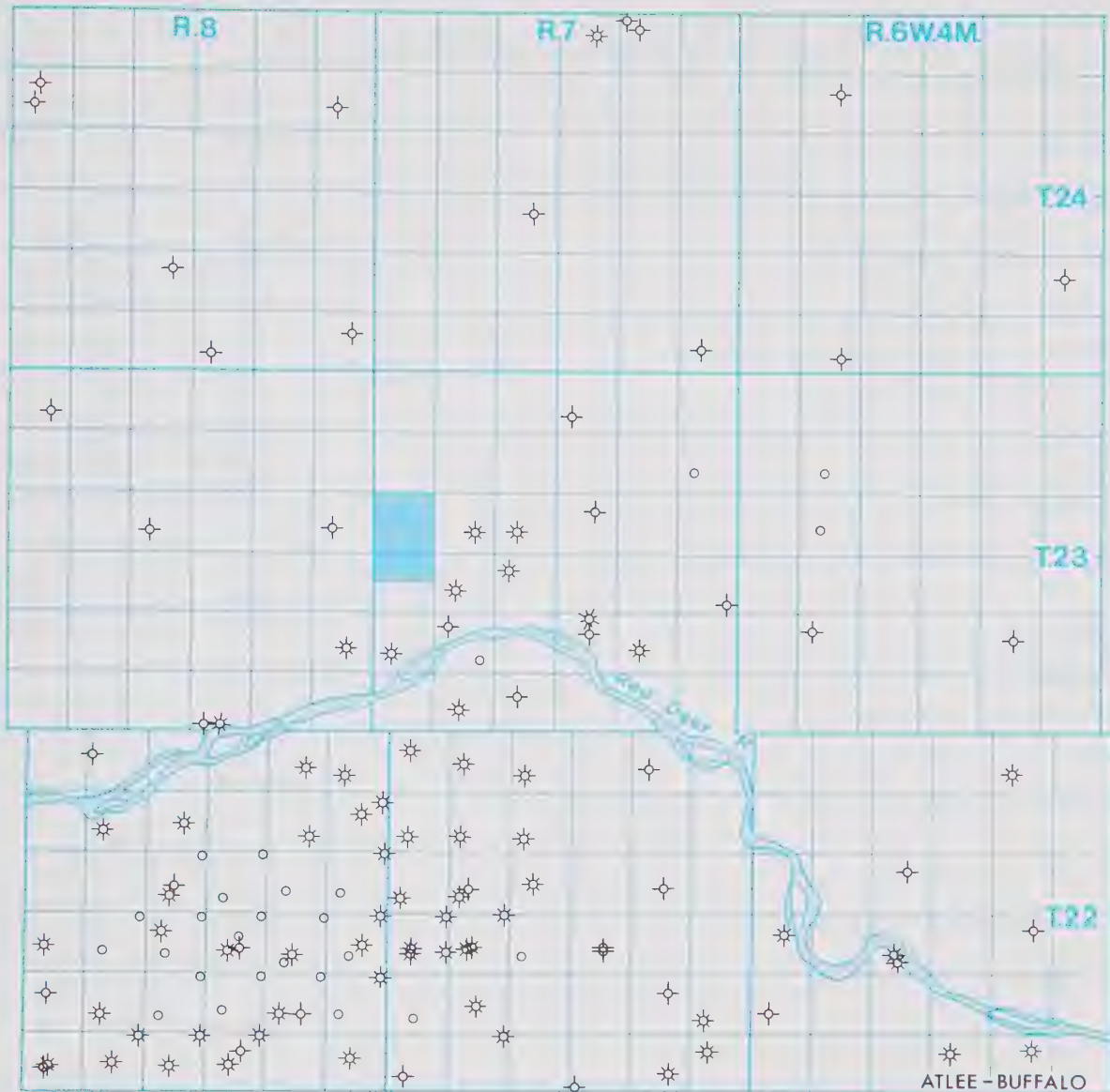
West Pembina (North)

CLEARPORT ACREAGE

1 0 1 2 3 5 MILES

Following freeze-up this year, a Cardium test will be carried down on the Clearport acreage SW 1/4 Section 15-50-9 W5M.

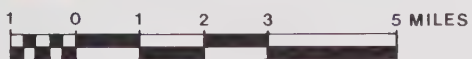
- * Gas Well
- Oil Well
- ◇ Abandoned
- Pipeline
- Deep Tests



Atlee – Buffalo



CLEARPORT ACREAGE



- ★ Gas Well
- ⊕ Abandoned

ATLEE-BUFFALO

Clearport, in the fall of 1982, will drill a Mississippian test on Section 19-23-7 W4M of the Atlee-Buffalo prospect.

OIL AND GAS WELLS

The following is a summary of the Company's interests in oil and gas wells:

ALBERTA	Gross Number of Wells	Percentage Interest	Status
Aden	1	15.00	Shut-in gas
Black Butte	1	7.5	Producing oil
	1	2.25	Shut-in gas
	2	10.78	Shut-in gas
	1	17.812	Shut-in gas
	1	35.625	Shut-in gas
Bantry	2	2.00	Shut-in gas
Comrey	1	3.00	Shut-in gas
	1	6.00	Shut-in gas
	1	50.00	Shut-in gas
Drumheller	1	50.00	Shut-in gas
	1	17.39	Shut-in gas
	1	12.50	Shut-in oil
Lait	1	95.71	Shut-in gas
	2	30.00	Shut-in gas
Manyberries	1	2.00	Shut-in gas
	1	25.00	Shut-in gas
Pendant d'Oreille	3	25.00	Shut-in gas
	1	50.00	Shut-in gas
	1	62.50	Shut-in gas
	1	65.00	Shut-in gas
	2	25.00	Shut-in gas
	2	62.50	Shut-in gas
	1	84.00	Shut-in gas
Rosshaven	1	50.00	Shut-in gas
	1	50.00	Producing gas

A summary of the Company's net share of proved and probable additional reserves is shown below as well as the future net revenue, undiscounted and discounted at 15 and 20 percent including the Alberta royalty Tax Credit.

	COMPANY SHARE						
	REMAINING NET GAS RESERVES		REMAINING NET OIL RESERVES		Undis- counted	CASH FLOW DISCOUNTED AT	
	E ³ m ³	(MMcf)	m ³	(Stb)	M \$	15%	20%
Proved — Producing	25 058	889	4 099	25,795	4,825	2,384	2,016
Proved — Non-Producing	191 872	6,810	—	—	49,722	11,515	8,636
Proved — Undeveloped	31 752	1,127	—	—	7,904	1,580	1,070
Probable — Additional	30 233	1,073	—	—	6,612	1,363	965
TOTAL	278 915	9,899	4 099	25,795	69,063	16,842	12,687

In addition, the value of the Company's undeveloped lands has been estimated at \$789,610.

ACREAGE

The following table summarizes the working interests in petroleum and natural gas rights of the Company:

	GROSS AREA	NET COMPANY ACRES
ALBERTA		
Comrey	8,320	3,088
Black Butte	2,560	784
Aden Field	1,760	1,216
Lait	1,920	1,576
Knappen	800	360
Coutts	960	480
South Pendant d'Oreille	6,080	2,680
Manyberries	640	12.8
South Pakowki Lake	640	320
Pakowki Lake	3,200	1,673
Atlee Buffalo	960	480
Drumheller	1,760	880
Aerial	320	160
Michichi	160	160
Fenn Big Valley	800	800
Bonnie Glenn	160	8
Bittern Lake	640	320
Lloyd Lake	1,440	720
Pembina	4,320	2,720
Pembina Bigoray	960	480
Rosshaven	1,244.4	622.2
West Swan Hills	640	320
TOTAL	40,284.4	19,860.0
MONTANA		
TOTAL	3,606.51	3,606.51
KANSAS		
Kingman County	11,055.97	10,840.99
Sedgwick County	9,349.98	9,349.98
Reno County	7,965.34	7,955.34
Harper County	5,042.91	5,042.91
Ness County	240.00	240.00
TOTAL	33,654.20	33,429.22
CLEARPORT'S 6.25% SHARE IN KANSAS	2,103.38	2,089.32

CLEARPORT PETROLEUMS LTD.

CONSOLIDATED STATEMENT OF LOSS

FOR THE YEAR ENDED JUNE 30, 1982
(with prior year's figures for comparison)

REVENUE	<u>1982</u>	<u>1981</u>
Production and administration	\$462,788	\$522,007
Less: Crown royalties	<u>136,859</u>	<u>154,512</u>
	325,929	367,495
Interest and other	15,296	6,944
Incentive bonus	<u>—</u>	<u>2,801</u>
	<u>341,225</u>	<u>377,240</u>
 EXPENSES		
Administration	356,414	315,952
Depletion	64,082	60,435
Depreciation	30,553	25,569
Interest and bank charges	123,490	47,398
Lease and surface rentals	<u>2,845</u>	<u>3,958</u>
	<u>577,384</u>	<u>453,312</u>
Loss from operations	236,159	76,072
 OTHER INCOME		
Gain on sale of lease	<u>—</u>	<u>10,185</u>
Loss before income taxes	<u>236,159</u>	<u>65,887</u>
 INCOME TAXES		
Deferred (recovery)	(37,000)	3,800
Royalty Tax Credit	<u>(68,194)</u>	<u>(38,628)</u>
	<u>(105,194)</u>	<u>(34,828)</u>
 NET LOSS FOR THE YEAR	<u>\$130,965</u>	<u>\$ 31,059</u>

See accompanying notes

CLEARPORT PETROLEUMS LTD.

CONSOLIDATED STATEMENT OF DEFICIT

FOR THE YEAR ENDED JUNE 30, 1982
(with prior year's figures for comparison)

	<u>1982</u>	<u>1981</u>
Retained earnings, beginning of year	\$ 8,047	\$ 39,106
Net loss for the year	<u>130,965</u>	<u>31,059</u>
Retained earnings (deficit), end of year	<u>\$(122,918)</u>	<u>\$ 8,047</u>
Loss per share before deferred taxes	8.47¢	1.44¢
Loss per share after deferred taxes	6.51¢	1.64¢

See accompanying notes

CLEARPORT PETROLEUMS LTD.

(Incorporated Under the Laws of Alberta)

CONSOLIDATED BALANCE SHEET

AT JUNE 30, 1982

(with June 30, 1981 figures for comparison)

ASSETS

	<u>1982</u>	<u>1981</u>
CURRENT		
Cash	\$ 30	\$ 48,224
Accrued interest receivable	251	146
Accounts receivable (Notes 3 and 10)	241,811	153,550
Alberta royalty tax credit	68,194	38,628
Prepaid lease rentals	<u>3,010</u>	<u>4,823</u>
	<u>313,296</u>	<u>245,371</u>
DEFERRED PROFIT SHARING PLAN		
(Note 5)	<u>17,554</u>	<u>11,840</u>
PROPERTY, PLANT AND EQUIPMENT		
(Notes 1 and 2)	<u>1,676,511</u>	<u>1,404,653</u>
OTHER, at cost		
Incorporation costs	991	991
Drilling deposit	10,000	10,000
Investment	<u>5</u>	<u>5</u>
	<u>10,996</u>	<u>10,996</u>
	<u>\$2,018,357</u>	<u>\$1,672,860</u>

APPROVED BY THE BOARD:

ROBERT M. ROSS, Director

HAROLD L. FARNEY, Director

See accompanying notes

CLEARPORT PETROLEUMS LTD.

(Incorporated Under the Laws of Alberta)

CONSOLIDATED BALANCE SHEET

AT JUNE 30, 1982

(with June 30, 1981 figures for comparison)

LIABILITIES

	<u>1982</u>	<u>1981</u>
CURRENT		
Cheques issued in excess of bank balance	\$ 4,938	\$ —
Bank loan (Note 3)	918,000	322,000
Accounts payable	<u>178,350</u>	<u>271,540</u>
	<u>1,101,288</u>	<u>593,540</u>
DEFERRED PROFIT SHARING LIABILITY (Note 5)	<u>17,554</u>	<u>11,840</u>
DEFERRED INCOME TAXES (Note 1)	<u>22,000</u>	<u>59,000</u>

SHAREHOLDERS' EQUITY

SHARE CAPITAL

Authorized

5,000,000 shares with no par value,
maximum consideration \$5,000,000

Issued

1,888,103 Shares	1,022,453	1,022,453
Less: Commission paid	<u>22,020</u>	<u>22,020</u>
	1,000,433	1,000,433
RETAINED EARNINGS (DEFICIT)	<u>(122,918)</u>	<u>8,047</u>
	<u>877,515</u>	<u>1,008,480</u>
	<u>\$2,018,357</u>	<u>\$1,672,860</u>

See accompanying notes.

CLEARPORT PETROLEUMS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 1982
(with prior year's figures for comparison)

	<u>1982</u>	<u>1981</u>
SOURCE OF WORKING CAPITAL		
Proceeds from sale of lease	\$ —	\$ 15,000
Notes receivable repaid	—	66,050
	<u>—</u>	<u>81,050</u>
APPLICATION OF WORKING CAPITAL		
Operations		
Net loss for the year	130,965	31,059
Items not representing a change in working capital		
Depletion and depreciation	(94,635)	(86,004)
(Deferred income taxes) recovery	37,000	(3,800)
Gain on sale of lease	—	10,185
Working capital to (from) operations	73,330	(48,560)
Purchase of fixed assets		
Exploration and development costs	269,598	213,001
Acquisition of leases	29,742	20,123
Equipment	953	12,453
Lease rentals on non-producing properties	17,336	17,392
Pipeline	—	901
Hydrocarbon Dew Point Control	48,864	56,944
	<u>439,823</u>	<u>272,254</u>
DECREASE IN WORKING CAPITAL, FOR THE YEAR	439,823	191,204
Working Capital Deficiency, beginning of year	348,169	156,965
WORKING CAPITAL DEFICIENCY, END OF YEAR	<u>\$ 787,992</u>	<u>\$ 348,169</u>

See accompanying notes

CLEARPORT PETROLEUMS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 1982

1. ACCOUNTING POLICIES

- The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary, Clearport Petroleum Inc.
- The Company follows the full cost method of accounting for oil and gas whereby all costs of exploring for and developing oil and gas and related reserves are capitalized.
- The Company follows the practice of depleting and depreciating its assets according to the rates set out in Note 2. The depletion rate of 4.04% represents the percentage that production is of total proven reserves. All equipment, pipelines and furniture and fixtures are depreciated using the straight-line method.
- The Company follows the tax allocation method for recording corporate income taxes for all timing differences between accounting and taxable income.

2. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of the cost of property, plant and equipment and the related accumulated depreciation and depletion.

	Rate	Cost	Accumulated Depreciation and Depletion	Net Book Value	
				1982	1981
Petroleum & Natural Gas Leases	4.04%	\$ 351,662	\$ 68,097	\$ 283,565	\$ 267,108
Exploration & Development	4.04%	1,281,876	257,577	1,024,299	798,631
Administration Costs	4.04%	49,617	24,538	25,079	26,577
Lease Rentals on					
Non-Productive Properties	4.04%	133,717	20,159	113,558	101,590
Wellhead Equipment	10.00%	26,006	8,322	17,684	20,284
Furniture & Fixtures	10.00%	10,125	7,387	2,738	2,799
Dehydrator	10.00%	32,825	7,112	25,713	28,995
Pipeline	10.00%	111,311	24,102	87,209	98,340
Hydrocarbon Dew Point Control	10.00%	105,808	16,275	89,533	51,250
Automotive Equipment	15.00%	12,970	5,837	7,133	9,079
		<u>\$2,115,917</u>	<u>\$439,406</u>	<u>\$1,676,511</u>	<u>\$1,404,653</u>

3. BANK LOAN

The bank loan is secured by a registered general assignment of book debts and an assignment of the proceeds of production and gas sales contracts.

4. DIRECTORS AND OFFICERS

As at June 30, 1982 the Company had four directors and three officers, all of the officers also being directors of the Company.

The remuneration of the President amounted to \$75,000 for the year ended June 30, 1982.

5. DEFERRED PROFIT SHARING PLAN

A deferred profit sharing plan was approved by the Board of Directors on June 13, 1978. During the year \$3,500 was transferred to a separate bank account and invested in a term deposit, in accordance with the terms of the plan.

6. BUSINESS INVESTMENT TAX CREDITS

At June 30, 1982 the Company had accumulated \$15,606 in business investment tax credits which are available to reduce federal income taxes payable in future years until:

1985	\$10,694
1986	<u>4,912</u>
	<u>\$15,606</u>

7. RELATED PARTY TRANSACTIONS

Related party interests held in properties owned by the Company are as follows:

PROPERTY	CLEARPORT HOLDINGS LTD.	R. M. ROSS
Producing Wells		
6-23-1-9 W4th	50%	—
10-3-1-9 W4th	—	10% to payout, reverting to 5%
11-30-1-9 W4th	—	5%
6-18-1-9 W4th	—	10%
Non-Producing Properties		
SW/4-9-49-9 W5th	5%	—
SW/4-15-50-9 W5th	5%	—
Sec. 6-4-6 W4th	10%	—

In addition the Company leases furniture from Clearport Holdings Ltd. During the year, the Company purchased the 40% interest from R. M. Ross in the Dew Point Control System.

8. EXPLORATION COMMITMENTS

Under an agreement dated April 30, 1981 the Company is committed to expend \$250,000 (U.S.), plus 7% administrative fees in a Kansas Joint Venture. To June 30, 1982, \$164,667 (Can.) had been expended.

9. STOCK OPTION

Under an agreement dated December 18, 1981, R. M. Ross was granted an option to purchase additional shares of the Company as follows:

- 50,000 shares at \$1.50 per share.
- 50,000 shares at \$1.75 per share.
- 100,000 shares at \$2.00 per share.

This option agreement has been approved by the Alberta Stock Exchange and expires October 30, 1986. To date, no part of the option has been exercised.

10. ACCOUNTS RECEIVABLE

Included in accounts receivable are \$171,043 of accounts pertaining to wells 10-8 and 14-8-55-3 W5th. Offsetting this amount are \$54,805 included in accounts payable pertaining to the same wells. Of the \$116,238 net balance owing to the Company at June 30, 1982, an undeterminable portion is under dispute, the realization of which will depend on the disposition of a lawsuit currently in progress.

Management is of the opinion that the total balance will ultimately be recovered.

11. FINANCIAL STATEMENTS

These financial statements have been prepared on the basis of a going concern. The Company is dependent on its ability to sell oil and gas products and in the event that these sales are not forthcoming, the realization of its assets would be dependent on the market conditions at that time.

MILLER, MCCLELLAND & CO.

Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Clearport Petroleums Ltd.

We have examined the consolidated balance sheet of Clearport Petroleums Ltd. at June 30, 1982 and the consolidated statements of loss, deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the consolidated financial position of the Company as at June 30, 1982 and the consolidated results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta
September 24, 1982

Miller, McClelland & Co.
Chartered Accountants

OFFICERS and DIRECTORS

Robert M. Ross,
President & Director

Edward J. Baltrusaitis
Director

Harold L. Farney,
Vice-President,
Secretary-Treasurer & Director

Robert C. Ross
Director

TRANSFER AGENTS AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA
401 - 9th Avenue South West, Calgary, Alta.

SOLICITORS

BENNETT JONES
3200 Shell Centre
400 - 4th Avenue S.W.
Calgary, Alberta
T2P 0X9

BANKERS

THE TORONTO-DOMINION BANK
T2P 0X9
2 Calgary Place, 340 - 5th Ave. S.W.

AUDITORS

MILLER, McCLELLAND & CO.
1603 -10th Avenue S.W.
Calgary, Alberta
T3C 0J7

HEAD OFFICE

522, 550 - 6th Ave. S.W.
Calgary, Alberta
T2P 0S2

LISTED

ALBERTA STOCK EXCHANGE
3rd Floor, 300 - 5th Ave. S.W.
Calgary, Alberta
T2P 3C4

TRADING SYMBOL

C.P.R.



